

Section I: General

1. Purpose.

The Alabama Department of Mental Health ("DMH") is seeking a qualified firm(s) to provide contracted services for the Dietary, Housekeeping, Maintenance, Linen and Pest Control services ("support services") at its 6 inpatient psychiatric facilities across Alabama, and short term (estimated at 2 months) food only with delivery (no other dietary service) at the Partlow Developmental Center. DMH is seeking proposals from qualified, interested providers ("Offerors") for the provision of these services.

DMH currently uses a mixture of contracted and in-house services to provide said Support Services. It is DMH's intent to use the Invitation to Bid ("ITB") process to evaluate the qualifications, services, and business arrangements offered by interested providers with the intent to enter into an exclusive provider agreement for said Support Services. Ideally, DMH seeks to maximize efficiency and minimize cost by realizing the economies of scale of combining all of the Support Services under a single contract. Once bids are received, no further secondary bids will be accepted by DMH. Offeror needs to make the first offer it's best and final offer.

2. Background. Mental Illness State-Operated Facilities:

1) Bryce Hospital



Bryce Hospital was established in 1861 in Tuscaloosa. Bryce Hospital is responsible for the provision of regional inpatient psychiatric services for adults, serving a specified region in the north central part of the state. Bryce Hospital provides inpatient services for adolescents serving the entire state. Roxanna Bender is the Acting Facility Director of Bryce Hospital.

2) Greil Memorial Psychiatric Hospital



Established in 1974, Greil Memorial Psychiatric Hospital in Montgomery is responsible for the provision of inpatient psychiatric services to adult citizens of a specified region in the south central part of the state. The

hospital operates a specialized psychiatric unit for persons who are deaf or hard of hearing. Susan Chambers is the Facility Director of Greil Hospital.

3) Mary Starke Harper Geriatric Psychiatry Center



Mary Starke Harper Geriatric Psychiatry Center was established in 1996 on the campus of Bryce Hospital. The Harper Center is responsible for the provision of inpatient psychiatric services to the elderly citizens throughout the state. Beverly White is the Facility Director of the Harper Center.

4) North Alabama Regional Hospital



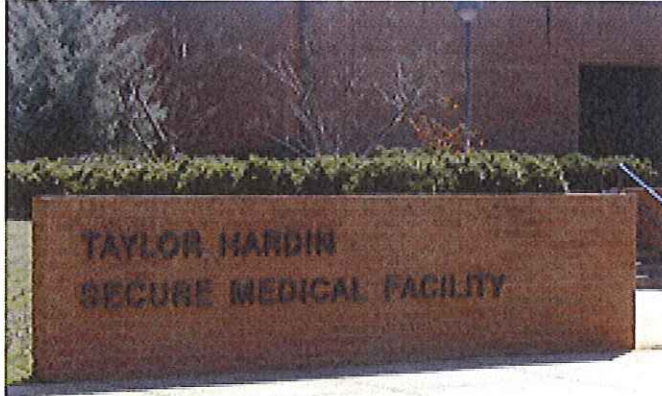
North Alabama Regional Hospital (NARH) was established in Decatur in 1977. NARH is responsible for the provision of adult inpatient psychiatric services to the citizens of a specified region in the northern part of the state. Randy Phillips is the Facility Director of North Alabama.

5) Searcy Hospital



Searcy Hospital was established in Mt. Vernon in 1902. Searcy is responsible for the provision of regional adult inpatient psychiatric services for a specified region in the southern part of the state. Beatrice McLean is the Facility Director of Searcy Hospital.

6) Taylor Hardin Secure Medical Facility



Hardin.

Taylor Hardin Secure Medical Facility was established in 1981. Taylor Hardin is responsible for providing comprehensive psychiatric evaluation/treatment to the criminally committed throughout the state and forensic evaluations to the Criminal Courts for the State of Alabama. It is the only maximum security forensic facility operated by the ADMH. Shelia Taylor is the Facility Director of Taylor

3. Descriptive Data.

Usage: Shown below are important statistics that will help Offerors provide an accurate bid.

Patient Days - FY10		
Facility	Net Patient Days	Average Daily Census
Bryce	117,484	321.8
Searcy	128,310	351.5
Hardin	41,746	114.3
Greil	29,975	82.1
NARH	27,918	76.4
Harper	37,354	102.3
Partlow	62,188	170.3
TOTAL	444,975	

Patient Days - Annualized FY 11		
Facility	Annualized Patient Days	Average Daily Census
Bryce	98696	270.4
Searcy	92856	254.4
Hardin	41610	114.0
Greil	29346	80.4
NARH	27266	74.7
Harper	32741	89.7
Partlow	54495	149.3
TOTAL	377009	

Shown to the left are the facilities patient days for FY 10 and annualized FY 11. DMH's fiscal year is from October to September.

Most DMH facilities are semi-private or multi bed rooms.

Census from year to year has declined.

Support Services History:

For the last 5 years, DMH has bid Support Services individually and no one contractor has all services (See chart below). DMH wishes to centralize, to the best of a contractor's ability, to a singular provider.

CURRENT STATE (Outsourced or In-House)					
	Dietary	Housekeeping	Laundry/Line	Maintenance	Pest Control
Bryce	Outsourced	In-House	Outsourced	In-House	Outsourced
Harper	Outsourced	In-House	Outsourced	In-House	Outsourced
Hardin	Outsourced	In-House	In-House	In-House	Outsourced
Searcy	Outsourced	Outsourced	Outsourced	In-House	Outsourced
Greil	Outsourced	Outsourced	Outsourced	In-House	Outsourced
NARH	Outsourced	Outsourced	Outsourced	In-House	Outsourced
FUTURE STATE					
	Dietary	Housekeeping	Laundry/Line	Maintenance	Pest Control
Bryce	Outsourced	Outsourced	Outsourced	Outsourced	Outsourced
Harper	Outsourced	Outsourced	Outsourced	Outsourced	Outsourced
Hardin	Outsourced	Outsourced	Outsourced	Outsourced	Outsourced
Searcy	Outsourced	Outsourced	Outsourced	Outsourced	Outsourced
Greil	Outsourced	Outsourced	Outsourced	Outsourced	Outsourced
NARH	Outsourced	Outsourced	Outsourced	Outsourced	Outsourced

Quality: Over time, DMH has come to judge how contractors (all outside vendors) operate through the following methods:

A) DMH judges the ability of our current contractor to meet our needs by looking at several measures. One important measure is cost. The State of Alabama requires a balanced budget and therefore it is in the Departments interest to keep overall costs low for these services.

B) DMH also judges our contractors' success through patient and employee satisfaction with the service offered. It is the intent of DMH to survey the employee population for the services rendered in this bid by contractor and to hold out a penalty model if defined service levels are not met. The questions asked will be as follows:

- 1) On a scale of 1-10, how would you rank the cleanliness of the Hospital?
- 2) On a scale of 1-10, how would you rank the friendliness of the staff providing the housekeeping services.

- 3) On a scale of 1-10, how would you rank the responsiveness of the housekeeping staff providing the service.
- 4) On a scale of 1-10, how would you rank the food being provided to the patient population.
- 5) On a scale of 1-10, how would you rank the friendliness of the staff providing the food service.
- 6) On a scale of 1-10, how would you rank the responsiveness of the food services staff?
- 7) On a scale of 1-10, how would you rank the linen service?
- 8) On a scale of 1-10, how would you rank the friendliness of the staff providing the linen service?
- 9) On a scale of 1-10, how would you rank the responsiveness of linen staff?
- 10) On a scale of 1-10, how would you rank the overall maintenance, plant operations service?
- 11) On a scale of 1-10, how would you rank the friendliness of the staff providing the maintenance / plant operations services.
- 12) On a scale of 1-10, how would you rank the overall responsiveness of maintenance staff?

This survey will be sent out after the first month of operation to set a targeted baseline for Contractor Services. Further monitoring of contractor services will occur on a 6 month basis from the point of target setting. Contractors should bid in their response a targeted penalty for not maintaining or improving on the survey provided.

SERVICE LEVEL DESCRIPTIONS: SEE ATTACHMENT A

In Service Level Descriptions, Attachment A, you will find a detailed summary of the current service level provided by Linen, Housekeeping, Dietary, Maintenance and Pest Control. DMH wishes to maintain this level of service or improve upon it while realizing cost savings through the centralization of these services to a singular contractor if possible.

FTEs PROVIDED: SEE ATTACHMENT B

Described below is an estimate of current employed or contracted FTEs by type being provided by service. Attachment B is a detailed description of the current staffing models of each function for a full pay period. The list is attached because Offeror will have to provide this number of employees as a minimum requirement unless Offeror can explain why a reduction in staff could provide like levels of service with reduced cost for DMH. Offeror should list proposed number of FTEs by type in Section 4 of its bid. SLD below Stands for "Service Level Description" shown in Attachments A & D.

FTEs	Dietary	Housekeeping	Laundry/Linen	Maintenance	Pest Control
Bryce	14.4	29.6	See SLD	24	See SLD
Harper	14.4	9	See SLD	Provided by Bryce's Maintenance Staff Above	See SLD
Hardin	9.5	4.1	2.6	4	See SLD
Searcy	22.2	20.2	See SLD	17	See SLD
Greil	1	5	See SLD	4	See SLD
NARH	17	9.3	See SLD	4	See SLD

FLOOR PLANS: SEE ATTACHMENT C

Attached are floor plans of DMH's current facilities. Square footages of each facility with description of out buildings and associated square footages are shown below in summary. Offeror will be responsible for all areas of the DMH campuses as well as specific hospital departments located within surrounding office buildings.

	Harper	Bryce	Hardin	Searcy	Greil	NARH
Sq/Ft	96360	391,943	96800	309381	82331	81232
Beds	96	268	114 SOC / 115 maint	260	76	74
Rooms	Not Reported	226	64	Not Reported	50	33
Hospital Age	16	158	31	28	45	60
Year Built	1996	1853	1980	1983	1966	1951
Director Name	Bob White	Bob White	Marvin Jansen	Sam Levio	Ricky Rowe	Marty Eva
Floors Total	2	4	1	10	2	5
Total ACRES	12	215	12	26	12	45

Note above—Maintenance Director not Director

FACILITIES SURVEY: SEE ATTACHMENT D

A survey of the facilities current state has been provided which also reflects the above information. The facility surveys give more information on the general state, infrastructure conditions, environmental issues, life safety, mechanical, electrical, grounds, and equipment in each facility related to plant operations. Given one of the functions that DMH wishes to outsource is the maintenance function, Offerors should review this information carefully. Outbuildings are also noted on this report.

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4. Objective.

The objective of this ITB is to provide DMH with sufficient information concerning the background, experience, staff, and financial stability of Offerors interested in providing Housekeeping, Dietary, Laundry & Linen, Maintenance and Pest Control to DMH facilities as described above. The ITB is not a contractual offer or commitment to purchase services.

5. Contract

DMH is providing a Master Agreement Draft contract document as an attachment to this ITB. The contract documents used by DMH will incorporate both the ITB and the Offeror's bid. In the event that conflicts in language exist between the ITB and the Offeror's bid, the provisions of the Master Services Agreement will govern. The successful Offeror to whom the contract has been awarded shall sign and return to DMH a completed contract and other required documents within ten (10) business days after the receipt of the award.

6. Invitation to Bid Amendments.

DMH reserves the right to officially modify or cancel the ITB after issuance. The Offeror may also modify any proposal prior to the deadline identified in this ITB. Such modifications will be made only by written addendum, a copy(s) of which must be submitted with the Offeror's proposal, and delivered to DMH prior to the deadline. Modifications or omissions made to the provided draft contract by Offeror may lead to rejection of the bid by DMH.

7. Questions by Offeror.

Technical questions about the contents of the ITB should be addressed to Todd Kennedy, COO, Healthcare Operational Services, LLC, via email at: toddkenedy@charter.net. Questions should be submitted **in writing** via email. Phone calls will not be accepted. If DMH determines that questions by a prospective Offeror and the answers thereto are of a general nature, DMH reserves the right to provide such questions and answers to all prospective Offerors.

8. Conflict of Interest and No Contact.

No Offeror shall give, loan, sell or trade anything of any value to any employee or officer of DMH or Healthcare Operational services, LLC in an attempt to gain favorable acceptance of its proposal. No Offeror shall contact, lobby, or attempt to influence employees of DMH regarding the acceptance of its proposal. All questions should be addressed as outlined in Section 7 above. This section shall

not be interpreted as prohibiting current vendors from providing existing services nor from contacting DMH employees as part of providing existing services.

9. Analysis of Proposal.

DMH reserves the right to reject any or all parts of a proposal and waive any irregularities in such proposal. DMH may make such investigations as it deems necessary to determine the ability of the Offeror to perform the work, and the Offeror shall furnish to DMH, all such information and data for this purpose as may be requested. DMH reserves the right to reject any offer if the evidence submitted by, or investigation of, such Offeror fails to satisfy DMH that such Offeror is properly qualified to carry out the requirements(s) of the contract.

To fully evaluate the abilities of each Offeror and the Offeror's proposal, the information set out below must be a part of the Offeror's submission.

10. Exceptions to ITB

Offeror must acknowledge and respond to each and every element required under this ITB in order for their bid submission to be accepted as responsive. However, it is anticipated that certain vendors may utilize terminology, or employ techniques that differ somewhat from those described in the specifications herein. All exceptions in the Offeror's bid submission shall be clearly identified, and shall include the scope of such exception, their ramification on all impacted items, and a description of functional and cost advantages and disadvantages should DMH accept such exceptions. DMH shall make final determination as to the responsiveness of such exceptions and their acceptability.

11. Responsiveness.

Bid Submissions should respond to all requirements of this ITB to the maximum extent possible. Offerors are asked to clearly identify any limitations or exceptions to the requirements inherent in the proposal. Alternative proposals and approaches will be considered if the approach clearly offers increased benefits to DMH through reduced cost and improved services.

12. Responsibility for Cost.

The Offeror shall be fully responsible for all costs incurred in the development and submission of its bid. DMH assumes no contractual obligation as a result of the issuance of this ITB, the preparation or submission of a bid by an Offeror, the evaluation or proposal, or final selection.

13. Clarification of Proposal.

DMH reserves the right to obtain clarification of any point in a bid submission or to obtain additional information necessary to properly evaluate a particular bid.

Failure of an Offeror to respond to such a request for additional information or clarification may result in rejection of its bid submission.

14. False or Misleading Statements.

If, in the opinion of DMH, a bid submission or other information provided by an offeror contains false or misleading statements or references which do not support a function, attribute, capability or condition as contended by the Offeror, the bid submission shall be rejected.

15. Schedule

Unless notified of changes in writing by Todd Kennedy, COO Healthcare Operational Services, Offerors should assume the following procurement schedule will be adhered to.

<u>Issue ITB Document</u>	Week of Aug 8 th , 2011.
Pre-Bid Conference	August 12 th , 2011 10Am-12PM at
Alabama Dept of Mental Health 100 North Union Street RSA Union Building, Room 192 Montgomery, Alabama 36130	
<u>Contractor Tour of Facilities</u>	August 15, 16, 17, 18th
<u>Written Questions Submitted by Interested Parties</u>	No later than Close of Business, August 24 th
<u>Response to Written Questions</u>	August 29th
<u>Deadline for Submission of Final Proposals</u>	5:00 pm CST, September 2 nd , 2011.

Section II: Ownership

1. Provide the full, formal name of Offeror, all d/b/a designations and any other names under which Offeror operates within the State of Alabama.
2. List the key contact person including name, title, mailing address, phone number(s) and e-mail address (if available).
3. Describe how and where Offeror is incorporated.
4. List all owners with five percent (5%) or more interest in Offeror.
5. List all owners of Offeror who are physicians. If Offeror is publicly traded on a national stock exchange, the list of physician owners may be limited to those physicians with five percent (5%) or more interest in Offeror.

6. List all members of Offeror's Board of Directors.
7. List all current or pending litigation with a claim or potential exposure greater than \$10,000.
8. List any adverse governmental findings, citations, actions, investigations or claims involving owners or key members of Offeror's staff.
9. Provide three (3) professional references, including reference-company name, address, phone number and contact person, in the Greater Tuscaloosa area, Montgomery area, Mobile area and Decatur Area. If the Offeror does not have operations in these areas, three (3) references from other areas similar in size may be substituted.

Section III: Organizational Experience and Key Personnel

1. Describe the Offeror's experience providing similar services.
2. Provide a list and brief biography of key on-site personnel that will be provided to DMH. Provide an organizational chart with names and titles. Note: All personnel required to provide service should be employed by Offeror. A detailed listing of the number of employees, by type, has been provided for Offeror's review in section 3 of this ITB. Contractor will be required to move all employees to their respective payrolls as well as provide all management and supervisory level positions except for 1) Bob White, Maintenance Director of Bryce Hospital and Harper Geriatric Psychiatric Facility will remain on DMH's payroll.
3. Provide a list and brief biography of key off-site personnel who may support the Offeror's operations.

Section IV: Proposed Services

1. Acknowledge acceptance of the terms of the attached **Master Agreement**.
2. Describe in detail Offeror's proposed staffing model. List all staff, including management, by type, number of each type, and cost of each type that will be provided by Offeror. DMH's intent of this section is to determine how much of Offeror's proposed pricing is made up of Salaries, Wages, and Benefits (see chart below).

Provide a full description of all proposed fees and/or charges for the proposed services. Also, include volumes associated with supplies/FTEs for each described expense. All fees should be described by line item (SWB, supply costs, misc. costs etc.) For FTES, hours as well as associated cost by type of FTE should be detailed. If Offeror proposes a yearly price adjustment, describe the methodology for the adjustment and why it should be accepted. Offeror should use the example line item form below to return its costing information:

(Continued on Next Page)

Dietary EXAMPLE (Follow similar format for All Bid Services):

Provide One Sheet for Each Hospital AND Service being bid upon:

	PER YEAR COST
<u>Meal Costs</u>	
Patient Meal Costs	\$400,000.00
Nourishments	\$50,000.00
Floor Stock	\$25,000.00
Supplements	\$20,000.00
Total FOOD Costs	\$495,000.00

	List # FTE by Type Below	Per YEAR Expense Associated by Type	AVG Hourly Rate
<u>FTE Hours / Number by Type</u>			
Supervision	1	\$55,000.00	\$26.44
Production	3	\$75,000.00	\$12.02
Tray Line	2	\$50,000.00	\$12.02
Dietitians	4	\$260,000.00	\$31.25
Host/Hostess	15	\$300,000.00	\$9.62
WareWashing	1	\$20,000.00	\$9.62
Receiving	1	\$20,000.00	\$9.62
Sub Total Labor Costs	27	\$780,000.00	\$13.89
Taxes and Fringe Benefits		\$179,400.00	
TOTAL LABOR COSTS		\$959,400.00	
Management		\$65,000.00	
Management Benefits		\$13,650.00	
Total Management Expense		\$78,650.00	
TOTAL LABOR COSTS with MANAGEMENT		\$1,038,050.00	

General Expense

Cleaning Supplies	\$15,000.00
Paper Supplies	\$14,000.00
Small Equipment	\$2,300.00
China, Flatware	
Uniforms	
Office supplies	
Flowers	
Promotions	
Training	
Depreciation	
Software Licenses	
General Liability	
Background / Drug Screenings, etc.	
Menus	
Drinks	
Professional Services	
Delivery Expense	
Utilities	
Misc.	

TOTAL GENERAL EXPENSE	\$31,300.00
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Management Fee (Profit):	\$35,000.00
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TOTAL EXPENSE (FOOD + TOTAL LABOR + GENERAL + MANAGEMENT FEE)

\$1,104,350.00

3. Describe all proposed periodic reports including information to be provided to DMH, the proposed frequency of reports, and if the proposed reports are available in an electronic format.

Section V: Licenses, Permits, Insurance and Risk Management

1. Provide copies of all licenses, permits, Certificates of Need, or other documents required by governing agencies (including, but not limited to, Federal, State, County and municipalities) to provide the services related to this proposal.
2. Describe and provide evidence of any accreditations held by the Offeror's local operations that are not required by governmental agencies.
3. Describe insurance coverage and provide copies of all insurance face sheets. Insurance coverage must meet or exceed coverage identified in the attached **Master Agreement**.
4. Describe all risk management and risk control programs.

Section VI: Staffing and Deployment

1. Describe the Offeror's hiring and orientation program for personnel contained on site, including minimum qualifications (management, line workers, etc).
2. Describe the Offeror's continuing education program.
3. Offeror must be willing to accept and operate under all applicable DMH Policies and Procedures. A statement to that effect should be included as part of this section.
4. Describe Offeror's employee pay increase practice.

Section VII: Quality and Performance Improvement

1. Provide details of Offeror's quality improvement program or performance improvement program.
2. Describe any proposed quality or performance improvement component involving DMH.
3. Describe Offeror's complaint resolution or customer service inquiry program, including Offeror's normal resolution time frames.
4. Describe all Joint Commission and other compliance readiness plans.

5. Offeror will be required to provide on-site management to oversee the Housekeeping, Dietary, Linen, Maintenance, and Pest control services. Describe the background of the proposed individual(s) who will act as Director as well as his/her training and experience.

Section VIII: Equipment & Costs
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1. Provide a listing of additional equipment that will be required by Offeror to carry out the requirements of these services and list estimated cost of each piece of equipment described. Offeror should also list which piece of equipment will be required to be purchased by DMH, or if the cost will be absorbed by Offeror.
2. Please submit your benefits package with associated costs for your employees.
3. Describe any specific service practices you wish DMH to know about.

Section IX: Other Services / Final Bid

1. Offer should detail any other services that will be provided above and beyond the services noted which may distinguish offeror from other providers of the same or similar services.
2. Offer shall submit full bid in hardcopy and in electronic format on USB Drive to:

Todd Kennedy
5668 Carrington Lake Parkway
Trussville, AL. 35173

This shall occur based on ITB timeline as noted above on:

5:00 pm CST, September 2nd, 2011.

Contractor responses not received by that time may be considered invalid and removed from consideration.

